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AN
E S S A Y
ON THE
R I G H T S
OF THE
EAST INDIA COMPANY

TO THE
PERPETUITY OF THEIR TRADE, POS-
SESSIONS AND REVENUES IN INDIA;

AND
To the Appointment of their OFFICERS and
SERVANTS, without the Interference of
GOVERNMENT.

IN WHICH
The Dangers to be apprehended from the Diffensions
in their Council at BENGAL are considered; and

A Short PLAN proposed,
For a Division of the Profits that may arise from their
Trade and Revenues,

By the Author of an Essay on the EAST INDIA Trade,
and its Importance to this Kingdom.

L O N D O N,

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MDCCLXXVI.

AN
ACT
OF THE
GOVERNMENT
OF THE
EAST INDIA COMPANY

TO THE
EFFECT OF THE
SESSIONS AND REVENUES IN INDIA

AND

To the Appointment of
Judges, Magistrates, and
Revenue Officers



GOVERNMENT
The Powers to be appointed
in the Council at Fort St. George

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(11)

P R E F A C E.

THE importance of the East India trade to this kingdom, with a comparative view of the Dutch, French, and English East India Companies, and the privileges and support that have been granted to each by its respective state, have been considered in a former Essay; in which also the right of the Company to their possessions in India has been briefly stated. But as their affairs are soon likely to come under the consideration of Parliament, and there seems to be a general apprehension of some intended encroachments on their rights and privileges, it becomes necessary to have them
more

more carefully examined into. The following Essay is intended for this purpose, which, it is hoped, may induce other persons of greater abilities to assert and support those rights, to which the Company are constitutionally entitled, and for which they have paid a valuable consideration to the Public.

(2)

have been granted to the Company by
Charters and by Parliament, since its
first institution by Queen Elizabeth in
1570. The ministers of that Queen
foreseeing the advantages likely to be de-
rived from its extensive commerce, and
as these advantages were not strictly
pecuniary, they guarded against any evil
consequences that might possibly result
by limiting the duration of their charter
to twenty years.

EAST INDIA COMPANY, &c.

AS the exclusive Charter of the East India Company is near its expiration, and many of the Proprietors, from some late extraordinary proceedings, are become extremely apprehensive of being forced to submit to very severe terms on its renewal; it may, perhaps, be an acceptable service to them, and also to the public, to have the rights of the Company fairly investigated.

It would be tedious to give a particular detail of all the powers and privileges that
B have

have been granted to the Company by Charters and by Parliament, since its first institution by Queen Elizabeth, in 1601. The ministers of that Queen foresaw the advantages likely to be derived from so extensive a commerce ; yet, as these advantages were then merely speculative, they guarded against any evil consequences that might, possibly, ensue, by limiting the duration of their charter to fifteen years. But the benefits resulting from thence, were so evident to her successor, King James the 1st. that, in 1609, he granted the Company several additional powers, and made them perpetual.

King Charles the 2d, in 1661, confirmed their former charters, and gave to them, and their successors, divers other privileges ; he made them a grant of the island of Bombay in 1669, and of the island of St. Helena in 1674. In 1677 and in 1683, he confirmed his former grants, by which the Company had been made

made perpetual, with an exclusive privilege of trading to India for ever; and also granted them still further powers: all which charters were confirmed by his successor, King James the II^d, in 1683; and further confirmed by King William and Queen Mary in 1693.

Notwithstanding these several grants and repeated confirmations, and although it had been experimentally proved by the English, and also by the Dutch, that an open trade to the East Indies could not possibly be carried on to the advantage of the public, or individuals, yet, in order to raise a sum of two millions, on loan, for the public service, King William, by consent of Parliament, in 1698, established another Company, by the name of the English Company, trading to the East Indies.

Whether this infringement of the charters of the old Company proceeded really from the necessities of the state, or was, as more generally imagined, an effect of

the prevalency of Dutch politics in our councils, cannot, perhaps, be absolutely determined. The English East India Company was, by this time, become a powerful rival of the Dutch in this trade. The Dutch East India Company had often attempted their destruction, by the most open, as well as by the most iniquitous and clandestine means; and as they had already been so thoroughly convinced, from experience, of the ruinous effects of carrying on this trade by separate bodies, that the States of Holland were obliged to compel the several Companies that had been formed in the different provinces, to unite into one for their mutual preservation and the public advantage; they well knew there could not be a more insidious or destructive measure, and, consequently, may be imagined most likely to have promoted it.

The bad effects of such a proceeding were soon severely felt by both Companies; and their ruin must have been the inevitable

inevitable consequence, had: they not been relieved by charter from Queen Mary; by which they were permitted to trade with a joint stock, and in 1702 were consolidated, under the title of the United Company of Merchants of England, trading to the East Indies; which title they have ever since preserved.

By this prudent measure the United Company became possessed of all the rights, powers, and privileges that had been granted to either; and from this union its successes have in a great measure been derived.

After so many Charters granted to the old Company, and the establishment of a new Company, in violation of them, under the sanction of Parliament; and after the union of these, by which they were both evidently preserved from ruin, and the total loss of the East India trade to this kingdom, in all probability, prevented; one would hardly imagine any thing of the kind should ever after be

attempted; but when a Company has been once laid under contribution, it will be a difficult business ever to get it thoroughly emancipated.

The new Company had, on account of its establishment, contributed largely, by a loan, to the relief of the state; but they did not consider, that, at the time they were promoting a breach of the Charters of the old Company, they were leaving the same breach open against themselves; and, accordingly, we find the affairs of the United Company brought into Parliament in 1730, when they were not only obliged to relinquish a considerable part of their rights, granted by charter, but also to pay a very considerable sum to government, in consideration of having all the rest established by act of Parliament.

The preamble of this act, of the 3d of Geo. II. after reciting the various charters that had been granted by the Crown, and the acts of Parliament that had been
passed

passed relative to the Company, observes,
 That, " the United Company of Mer-
 " chants of England, trading to the East
 " Indies, are legally possessed of and en-
 " titled to the principal or capital stock of
 " 3,200,000 l.; and to the redeemable
 " yearly fund of 160,000 l. *per ann.* and
 " are also entitled to an additional stock
 " in trade, and *several forts, factories,*
 " *settlements, possessions, estates, and here-*
 " *ditaments,* for the benefit of, and in
 " trust for, the members of the said
 " United Company."

By this part of the preamble, the rights,
 and possessions of the Company are, so
 far indeed, clearly acknowledged; but
 it proceeds farther, and says, that,
 " Whereas the said United Company, by
 " virtue of the said acts of Parliament,
 " and Charters, some or one of them,
 " claim to be a body politic and corpo-
 " rate, and to have a perpetual succession;
 " and claim also the whole and sole trade,
 " exclusive of all others, in, to, and from

“ the East Indies for ever : but neverthe-
 “ less the said United Company being
 “ willing that all doubts touching the
 “ continuance of their corporation, and
 “ of their right to the whole and sole
 “ trade within the limits aforesaid for
 “ ever, after the redemption of the said
 “ yearly fund should be removed; *were,*
 “ *and are contented,* and accordingly
 “ *have consented and agreed* to subject their
 “ right or claim to the whole, sole, and
 “ exclusive trade, to be redeemable or de-
 “ terminable by Parliament, in manner
 “ herein after mentioned; and have *con-*
 “ *sented and agreed that their present an-*
 “ *nuity, or yearly fund of 160,000 l. pay-*
 “ *able in respect of 3,200,000 l. from the*
 “ *public, be from hence reduced to an*
 “ *annuity, or yearly fund of 128,000 l.*
 “ redeemable by Parliament on one year's
 “ notice, &c. and moreover *are willing,*
 “ *and have consented, and agreed to pay*
 “ *into his Majesty's Exchequer, on or be-*
 “ *fore the 24th day of December, 1730,*
 the

“ the full sum of 200,000 l. without any
 “ interest, or addition to the said capital
 “ stock, or debt for the same; but upon
 “ such terms, &c. as herein after grant-
 “ ed, provided, declared, and enacted.”

By a clause in this act, the capital stock,
 or debt of 3,200,000 l. due from the
 public to the Company, might be paid
 off in sums not less than 500,000 l. at a
 time, notwithstanding which redemption,
 “ The rights of the Company to all sorts,
 “ factories, settlements, lands, tenements,
 “ hereditaments, rights, possessions, estate,
 “ or estates, belonging to them, or unto
 “ which they shall or may be entitled, or
 “ shall or may be acquired, gained, or ob-
 “ tained by the said United Company, or
 “ their successors, so long as they shall re-
 “ spectively have any such part or inter-
 “ est, they shall be, and continue to be a
 “ body politic and corporate, in deed, and
 “ in name, by the name of the United
 “ Company of Merchants of England,
 “ trading to the East Indies; and by that
 “ name,

“ name, shall have *perpetual succession*,
 “ and a common seal; and they, and
 “ their successors, by the name aforesaid,
 “ shall be able, and capable in the law,
 “ to have purchase, receive, enjoy, possess,
 “ and retain to them, and their successors,
 “ lands, rents, tenements, and heredita-
 “ ments, of what kind, nature, or quali-
 “ ty soever; and also to sell, grant, de-
 “ mise, alien, or dispose of the same; and
 “ shall have, hold, and enjoy all bene-
 “ fits, privileges, franchises, and rights,
 “ which by any former act, or acts, or
 “ any charters founded thereupon, the
 “ said United Company might hold and
 “ enjoy, which are not herein, or here-
 “ by, altered, or varied, &c.”

It is provided by this act, that after
 the 25th of March, 1736, on three years
 notice, and repayment of the capital stock
 of 3,200,000*l.* then the Company's
 right to the *sole trade* into, and from the
 East Indies, shall cease, and determine;
 but it is expressly provided, also, that *the*
corporation

corporation of the Company shall not be determined thereby, nor the Company ever excluded from carrying on a free trade, in, to, and from the East Indies: and this exclusive privilege has been continued, by subsequent acts, to the year 1780.

From this abstract of the rights of the Company, by charters, by acts of Parliament, and by purchase, it is evident they are as legally, and as firmly entitled to a *freedom of trade in, to, and from India, and to all their forts, factories, settlements, lands, and possessions in perpetuity*, as it is possible for the laws and constitution of this kingdom to make them.

To ascertain these rights, as it was then imagined, beyond a possibility of doubt, the Company agreed to relinquish their claim by charters to a perpetuity of their exclusive trade; — they paid a sum of 200,000 *l.* to the public; — and they abated 32,000 *l. per annum*, of the annuity of 160,000 *l.* granted to them by Parliament,

ment, on account of the loan advanced by them to government.

After so solemn a recognition by Parliament, could it be imagined, that their acquisition of the Dewannee in Bengal, or in other words, the renting the revenues of that country from the Mogul, without which, notwithstanding the extraordinary success of the Company, under the various changes, and chances that had occurred in that part of the world, neither their trade, their factories, nor the lives of their servants could have been long preserved; and by which, also, the principal objection that ever had been made to the East India trade, the draining this kingdom of its silver, has been entirely removed; I say, could it possibly be imagined, that the pretended illegality of such an acquisition, should be seriously assigned by a minister, and admitted by the legislature, as a sufficient cause for seizing on these rents and revenues for the use of the public? If the Emperor had a
right

right to grant them; the Company, by the foregoing act, were, undoubtedly, qualified to accept and retain them. If he had no right to make such a grant, government can pretend no right to seize on them. If they are to be taken from the Company under any colour, or pretence of right, they must be delivered to a more rightful owner.

The power of Parliament is certainly too high to be contended with, by any company, or corporation; but omnipotence itself is bounded by justice. It is derogating extremely from the justice of Parliament, to imagine it can possibly be induced by any ministerial influence, to give a sanction to so flagrant a violation of its own act.

But admitting, even, that for reasons, or pretended reasons of state, the legislature could be prevailed upon to rescind its own act, and authorize government to seize on the possessions and revenues of the Company; it is impossible to conceive

it could ever be admitted, without repayment of the money given by the Company to the use of the public, on the Parliamentary assurance granted to them, of holding their “ *forts, factories, settlements, lands, tenements, hereditaments, rights, possessions, estate, or estates, belonging to them, or unto which they shall or may be entitled, or shall or may be acquired, gained, or obtained by the said United Company, or their successors for ever.*”

Must not, also, the sums that have been expended by the Company, in obtaining, and preserving their acquisitions in India, at the risque of their whole property, under such Parliamentary assurance, be repaid, before there could be a colour, even, of justice, for such a proceeding? An account of this matter fairly stated, would stand as follows.

Paid

Paid to government in 1730, for the perpetual establishment of the Company by Parliament, in their trade, and possessions then had, or afterwards to be acquired by them in India,	£. 200,000
Interest on ditto, from Christmas, 1730, to Christmas, 1766, at 4 per cent,	368,000
Diminution of the annuity from government, being 32,000 l. per annum, for the same time,	1,472,000
Military expences of the Company from 1754 to 1765, in the acquisition of their possessions in India, as per account delivered to the House of Commons,	£ 8,634,574
From which deducting the revenues, and money received from Indian powers, within that period; and, also, 120,000 l. granted by Parliament,	£ 5,347,944
Remains,	3,166,630
Expended by the Company in fortifications, and civil buildings, in Bengal, and other settlements in India,	3,728,552
To this is to be added, the annuity of 400,000 l. paid to government from 1767 to 1772,	2,169,398
Original debt from government,	3,200,000
Total,	14,304,580
	It

It would carry the present work much beyond its intended length, to specify all the charters, and acts by which the Company is empowered to enter into war, to make treaties with Indian princes, and to dispose of their conquests; which are as specific, as words, and as legal, and constitutional, as acts of Parliament, and charters founded on them, can possibly make them. But admitting that no such powers had ever been granted to the Company, nor any consideration ever paid for them; and that they had obtained so valuable an acquisition for the public, at so considerable an expence; will any man, will any body of men, claiming the smallest pretension to justice, or equity deny, that the company ought to be reimbursed their expences in acquiring, defending, and maintaining, such possessions, before the public could claim any right to them.

This will not, probably, be denied; but it has been asserted, that the public
has

has been put to a considerable expence, by the assistance it has given the Company, towards the maintenance of their trade and possessions in India; which ought to be repaid. And this expence, from 1756 to 1766, as stated in Parliament, appears to be,

For land forces, -	£484,734	1	7
Ordnance, -	197,992	9	9
Victualling, -	928,586	13	4½
Navy, -	2,812,779	16	9½
Total,	4,424,093	11	5½

Let it be examined how far, in justice or equity, or by what rule of government in this, or any other kingdom, the Company can possibly be deemed liable to this charge.

It is universally admitted, that every corporate body, every individual who contributes a proportion towards the necessary expences of the state, is justly entitled to its protection and support. Let the Company's right to such protection

be measured by this standard, and it will be found to have contributed more largely to the general expences of government, and to the encrease of the general mass of the wealth of this kingdom, than any corporate, or other body of equal property, belonging to it.

The duties, customs, and excise received by government, on account of the goods imported by the Company, from 1756 to 1766, may very moderately, on average, be rated at a million *per ann.* or more, amounting in the whole to ten millions at the lowest; which is above four millions and half more than the expences of the public in their support in that period, supposing it to have been incurred merely on their account: the contrary of which, however, must appear pretty evidently, on a candid examination.

The India Company was unwillingly obliged by the ministry to enter into the war we were then engaged in with France, as it must generally be the interest of a trading

trading company to avoid, as much as possible, engaging in such contests; and it happened, at that time particularly, to have been greatly to the advantage of France, to have preserved a neutrality in India, where it was possessed of very considerable revenues, and from whence that state expected a considerable resource, for the support of the war carried on in Europe. Such a neutrality was accordingly offered to the Company, but was objected to, very properly, by our ministry, who were more powerful at sea, and well knew how much it must distress their enemy, to send a fleet sufficiently powerful to protect their settlements in India, and the dangerous effect the cutting off so considerable a supply to their finances, must necessarily have on their credit in Europe.

However fortunate the issue has proved to the Company, by the ruin of the trade, and settlements of their most powerful rival in that part of the world; it must

be admitted, the whole of the Company's property there was put in the greatest hazard, and was, at one time, in the most imminent danger of being totally destroyed; from which, indeed, it was preserved, chiefly, by the dissensions that had arisen amongst their enemies there.

The Company was also induced by the ministry to enter into the war carried on against Spain, with which state they had no contending interests, upon a solemn promise of the secretary of state, in the king's name, of having all their expences amply reimbursed by Parliament. Their finances were so much exhausted by the war carried on against the French, that they were obliged to raise money on their credit, to support the expedition against Manilla, projected by government; and also to send so great a number of their forces, as obliged their commander in chief, General Lawrence, then an officer also in the service of the crown, to remonstrate against it, as a most dangerous measure;

sure; by which their settlements were left so bare of defence, from the few troops remaining, as rendered them incapable of repelling any moderate force that might be sent against them, during their absence.

Manilla was taken; the King's forces were withdrawn from thence, and the Company's troops left to maintain the place; notwithstanding the danger of their being kept at so great a distance from their settlements. It was restored to the Spaniards, by Government, on the treaty of peace, without any stipulation in favour of the Company; and the expences they had incurred in that expedition, amounting to 168,243 l. have been constantly refused to be repaid by the Ministry; or even to be applied for, by them, to Parliament; though the Company has the Secretary of State's letter, wherein he has not only promised, in the King's name, that all their expences should be amply reimbursed, but also, that if it should be taken, and given

back to Spain, an adequate compensation would be recommended to Parliament.

Doctor Davenant, and other eminent writers agree, that one million per annum, at the lowest, is added to the general mass of the wealth of this nation by the East India trade; yet in those ten years the Proprietors received no more than 6 per cent. per annum dividends; so that a general account of profits to the Public and to the Company, in that period, would stand as follows:

Amount of taxes received by Government from the East India sales, being	£ 10,000,000
a million per annum for ten years	
Brought into the general mass of the wealth of this nation, by this trade,	£ 10,000,000
in that time,	
Dividends received by the Proprietors	20,000,000
in that time	£ 1,916,440

From whence it must appear demonstrably, that no corporate, or other body of men, in this kingdom, contribute near so

so largely to the support of the state, or to the increase of the general mass of its wealth, in proportion to their income or profits, as this company; and, consequently, cannot be more justly entitled to the protection and support of government.

Notwithstanding the happy termination of this war with France, so much to the advantage of the state, and also of the India Company, their principal settlement was still in imminent danger. Cossim Ally Cawn, the Soubah of Bengal, though beaten by the Company's forces, and driven out of the country, was still an enterprising and dangerous enemy; the troops that followed him, though not very numerous, were better disciplined than the foldiers of that country generally are; the Company was looked upon with a jealous eye by the Indian princes; and, from their late successes, were considered by Suja Dowla, then Vizir of the empire, and one of the most powerful princes of Indostan,

as formidable and dangerous neighbours. He was the more readily induced to espouse the cause of Cossim Ally, and engaged the Marattas, and also the emperor, to join in reinstating him in the Soubaship.

The united forces of these powers, though not from their courage or discipline, were certainly formidable from their numbers; and the victory obtained over them established the Company on so respectable a footing in that country, that the emperor, in order to engage their friendship and assistance, was induced to grant them the Dewannee of Bengal, Bahar, and Orissa, in perpetuity; and by this acquisition of the revenues, they are enabled to support so considerable a military establishment, as, with proper care and attention, must, for a long time, preserve that superiority, essentially necessary to the existence of the Company, in that country.

But this extraordinary success, instead of producing any advantage, has hitherto been

been the bane of the Company. It has excited such a spirit of rapacity in their servants, such a thirst of power in the Directors, and such a desire of garbling their possessions, in our ministers, as have already co-operated almost to its destruction.

There never was a time the Company stood in greater need of wise heads and upright hearts to direct and conduct their affairs; and, if a proper judgment can be formed from their proceedings, there never was a period, in which so apparent ignorance or treachery has been so fatally evident.

The favour of an enterprizing minister was assiduously courted by the contending parties in the Direction; which was promised to those who offered to sacrifice the largest portion of the Company's property. But, however eminent his abilities in other respects, his ignorance of the real state of the Company has been since very apparent. With a knowledge of the debts the Company had contracted in the acquisition

acquisition and support of their possessions in India, it was hardly possible for him to expect they could continue the payment of 400,000 l. per annum to the public, and dividends to the same amount to the proprietors; yet, as if he really imagined their revenues inexhaustible, by an additional clause, which he got inserted in the act for the purpose, the Company, after discharging their simple contract debts, bearing interest, and reducing their other debts to such a sum as was due to them from Government, were obliged to lend the remainder to the public at 2 per cent. interest; which was, in effect, obliging them to make a present to Government of one half of such surplus, without a power even of disposing of the other; and may be deemed an equal instance of his judgment, and justice.

It happened, very unfortunately for the Company, from the mode of carrying on their business, that the Directors only who were of the Committee of Correspondence,

were

were admitted to a knowledge of the true state of their affairs; and this, as well as every other committee, was generally governed by the Chairman or his Deputy, who presided in each.

The Proprietors had been long kept in total ignorance of their real situation; and often deluded by fictitious intelligence and false statements of their accounts, to serve the purposes of Stock-jobbing. Nay, to such an infamous pitch was this business carried on, that, at the very time the Company were so deeply involved in debt, both at home and abroad, as to be left without any reasonable prospect of extricating themselves; and were at the same time, privately, under acceptance of bills, to the amount of more than a million and a half, from India, without money, or credit to obtain any, to discharge them. Yet, under these circumstances, a junto of the Directors and others were privately convened at the house of one of the principal managers, not then indeed in the Direction;

rection; a stock-jobbing scheme was there concluded, and an agent sent over by them to Holland, to engage for a considerable quantity of Stock, then at a low price, to be delivered on a certain day.

So shamefully was this business carried on, that, when the usual method of spreading false reports of the flourishing state of the Company had failed of raising the price of stock; which happened, in a great measure, from the declaration of a Director, who, though not in the secret of the real situation of affairs, had sagacity enough to apprehend, and honesty enough to declare that the Company was not in a condition to continue the payment of their dividends at the rate they then did; yet, a General Court of Proprietors being called, specially, for the purpose, he was publicly condemned, because he could not produce the necessary proofs, from which he was debarred by the order of their proceedings; and the very worthy Chairman, when called upon for information,

tion, declared, there did not appear to him the least doubt of the Company's ability to continue the payment of their usual dividends; the 400,000l. per annum to the public; and also to discharge all other demands.

By these, and such like infamous proceedings was the Company brought to the verge of destruction. Had the Proprietors been fairly, and timely informed of their danger, they were always possessed of the certain means of avoiding it, by reducing their dividends to six per cent; by which, the stipulated payment of 400,000l. per annum to Government was to have immediately ceased; and which must have been so very obvious to those in the chief management of their affairs, as to stamp their neglect with indelible marks of treachery.

To judge of the distress to which the Company had been reduced, by such proceedings, it will be sufficient to give an exact state of their debts, as reported by
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the Committee of Secrecy, on the most scrupulous examination.

Debts bearing interest, exclusive of bond-debts, the 1st of December, 1772.

	l.	s.	d.
Amount of the Old Bullion debt, to the Bank of England,	200,000	0	0
Ditto to the Bank, on loan,	500,000	0	0
Ditto to Government, for indemnity on tea,	202,156	10	0
Ditto to ditto for arrears of annuity,	200,000	0	0
Ditto to ditto for unrated customs,	203,619	7	7
Ditto to Bills of Exchange,	699,888	8	10
Ditto to freight and demorage,	80,000	0	0
Ditto to fund for alms-houses,	8,313	16	0
Total,	£2,093,978	2	5

The Company was chargable with 15 and 12 per cent. interest for part of this debt to Government; the whole of which, even at four per cent interest, was nearly 84,000 l. per annum.

By a further account of the 4th of February, 1773, delivered by the same Committee, the Company's accepted Bills of Exchange were then 1,577,958 l. 16s. 2d.

their

their debt for freight and demurrage, 277,619*l.* with other articles, amounting in the whole, as stated, to 3,953,339*l.* 1*s.* 6*d.* abstracted from their bond debts in England, to the amount of 2,800,000*l.* and in Bengal 1,274,555*l.*

The Company, under such a pressure of debts, without cash in their treasury; without credit at the Bank; reduced, in effect, to a state of bankruptcy, though possessed of ample revenues abroad, and over-stocked warehouses at home, were reduced to the necessity of applying to Parliament for assistance. A business of this nature, must of course be transacted with the Chancellor of the Exchequer; and however difficult it may be at present to deliver a man's sentiment with proper freedom, on a transaction in which the Minister has had so great a share, without the imputation of party, or prejudice; the giving just cause for any censure of this nature, will be carefully avoided.

The debts that became due from the

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Company to Government, to the Bank, and to individuals, towards the latter end of the year 1772 ; their total inability of discharging them regularly ; and the injury that might arise from thence to the public, were of too great importance to be overlooked by a watchful Minister ; and undoubtedly, required the attention of Parliament ; which was accordingly convened somewhat earlier than had otherwise been intended.

His Majesty in his speech, took notice how much the commerce and revenues of the nation, as well as the private rights and interests of a considerable number of particular people were interested in the maintenance, and credit of the East India Company ; and recommended to Parliament the consideration of their affairs ; and the making such provisions for the common benefit and security of the various interests concerned, as should be best adapted to the exigences of the case. The Minister accordingly, after the proper address to his Majesty

Majesty was passed, immediately moved, that for the better taking into consideration the affairs of the Company, a Committee of Secrecy be appointed, by ballot.

How far a Committee of Secrecy, which is seldom appointed, without some urgent cause, or suspicion of criminality, in the business to be examined into, was preferable, on this occasion, to that of a select Committee, is submitted to others. It was certainly alarming to the Proprietors, who appointed, accordingly, a Committee of their own body, to examine publicly into their affairs, and lay a fair state of them before a General Court; which was the most prudent measure then in their power, and ought never in future to be omitted, for any long time, by the Proprietors, in whatever state their affairs may be.

It appeared from the several reports of the Committee of Secrecy, that although the Company laboured under immediate

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difficulties, they were possessed of means fully sufficient, with some immediate assistance from the public, to discharge all their debts in a reasonable time, and consequently to re-establish their credit.

At the opening of this business in Parliament, the Minister declared, that he proposed putting the affairs of the Company into a most flourishing and prosperous state. The first necessary step to this purpose, was the assistance given by Parliament, to the amount of 1,400,000 £., towards the discharge of their debts. The restriction laid on the Company, not to divide more than 6 *per cent.* to the Proprietors, until this sum should be repaid to the public, cannot be deemed a severe condition; but their being prohibited from dividing more than 7 *per cent.*, until their bond debts should be reduced to 1,500,000 £., was imagined to be rather a hard measure to a Company, which, by the report of the secret Committee, had divided

divided $8\frac{1}{2}$ *per cent. per annum*, by the profits merely of their trade, on average of 48 $\frac{1}{2}$ years before 1756.

Thus far, it must be admitted, the conduct of the Minister was very different from, and far preferable to, that of his predecessor, who never examined into the real state of the Company, nor what debts they had contracted in the acquisition of their revenues; and seemed entirely regardless of any bad consequences to the Company, that must necessarily have been produced by his measures.

In strict justice, perhaps, the Company, which had been led, no matter by what means, to give so large a sum as 400,000 *per annum* to the public, at a time they were evidently not in a capacity to do so, without great injury to themselves and their creditors, should have been reimbursed by Parliament, to the amount of so much as appeared immediately necessary; but, as there are, probably, no precedents of this nature, they were certainly

entitled to the utmost lenity on the occasion: yet the general conditions imposed, on account of the assistance to be given to the Company, were deemed so very heavy by the Proprietors, that they petitioned to be relieved from them; and would have left their whole property to the mercy of their creditors, sooner than accept the loan on such terms, had they not been obliged to the contrary, by a compulsory law.

It is certain, that, under the circumstances the Company then stood, there was no great appearance of relief from any other quarter, and that the public might have suffered by such obstinacy. Yet it is also certain, that, if the just rights of the Company to their possessions and revenues in India, in perpetuity, had been as fairly acknowledged by the Ministry on this occasion, as they had heretofore been fully granted, for a valuable consideration, by Parliament, they could very readily have raised a more considerable

able sum on their own credit; but, unfortunately for them, the contrary had been too often insinuated by the Ministry, since their late acquisition of the Dewanne in Bengal; till which time, indeed, there never was a doubt of their right to hold territories and territorial revenues in India; some of which, though not of sufficient magnitude, perhaps, to tempt a Minister, had remained quietly in their possession for above a century.

This, however, seems to be a point the Ministry are not inclined to bring to a legal issue, but rather chuse to keep as a political rod hanging over the Company, with which, it is to be hoped, they may not, on some future occasion, be whipped out of their credit and revenues also.

The appointment of a Governor-General and Council to preside over the affairs of the Company in India, and the putting their trade and revenues under a kind of sequestration, until the money lent by the public should be totally dis-

charged, might have been a necessary and proper measure; but the appointment of this Council, which was to transact the whole of their business in India, without any power in the Company of dismissing, and consequently without any effectual power of controuling them, and the constituting a majority of this Council, of such persons as were totally unacquainted with such a business, cannot, perhaps, be supported by sound policy, or strict justice.

Two of the gentlemen of this Council, sent from hence, were generally allowed to be persons of extreme good character, and of rank and reputation, with respect to their military capacities; and the third, perhaps, extremely well qualified for the station he had held in the War-Office. These gentlemen never had any kind of acquaintance with the business of the Company, and could not possibly have any local knowledge of the country they were sent to preside over; they cannot, therefore, be supposed to know any thing of

of its polity, except what they might have learned from their masters since their appointment, or have acquired by close study and application in so long a voyage: yet by this majority has every transaction, every proposition of the Governor-General, who is universally admitted to be the most able officer that ever presided over that country, been invariably controuled.

Mr. Hastings was President of the Council at Bengal, when he was appointed Governor-General by Parliament with universal approbation. He had established the most salutary code of laws for the regulation of the natives; he had retrenched the extravagant expences of the civil and military departments, to the amount, nearly, of half a million *per annum*; he had provided, and sent home, double the quantity of investments that had been expected from the accounts of the former President and Council, without any additional expence to the Company on that account; and had provided a sufficiency of money to discharge, to the amount of

1,274,555 l., bond debts in Bengal, for which the Company was paying 8 and 12 *per cent.* interest; he had remedied every evil the Company laboured under from that quarter to effectually, that he seems to have left little else for the gentlemen sent from hence to do on their arrival, but to fall foul on himself; which they did immediately, and seem, by all accounts, to have persevered in with unabating diligence, as if the principal business of their mission was to drive him from his station, which must, in consequence, be filled by one of themselves; from which, indeed, he seems to have been very lately preserved, merely by the steadiness, justice, and gratitude of the Proprietors.

The Company's right to the appointment of their governors and other officers, has been granted by repeated Charters, and confirmed by acts of Parliament. It is so essential to the preservation of their property, and the welfare of their trade, that it cannot possibly subsist long without it.

This

This right had never before been invaded by Parliament, nor could there be a pretence for it, but on account of its being deemed a greater security to the public, for the money lent to the Company *. That cause ceasing, the effect ought also to cease. They have paid off not only their debt to the public, but also all their other debts at home and abroad, except their India bonds in England, which are so far from being required to be discharged, that the bond-holders must be considerable losers whenever they are; so that there cannot be a doubt but they may be reduced to the standard appointed by Parliament as effectually without such a restriction on their rights, as they possibly can by its being continued to the end of the term appointed by Parliament; and the Company might therefore rea-

* The whole sum due to Government is not yet entirely discharged, as was expected; though it is evident, from the statement of the accounts delivered to the Proprietors at the last quarterly General Court, that it might have been, but for reasons best known to the Directors.

sonably

sonably hope for a repeal of that clause, on a proper application.

Notwithstanding the promising state of the Company at present, in comparison of what it was at the time the Committee of Secresy delivered its report to the House of Commons, at which time they were indebted to the amount of 5,227,894 *l.* 1 *s.* 6 *d.*, abstracted from their bond-debts at home; there still seems to be a cloud hanging over their affairs, proceeding from the dissensions of their Council in India, or an apprehension of some deeper intentions of Government, relative to their property.

The first, indeed, might very easily, and ought certainly to be remedied, by restoring the Company to their original right of appointing their own officers, without which, they can never think their property thoroughly secure; but the second must necessarily depend on future events, which can only be guessed at by those who are not acquainted with the intentions of the Ministry.

The

The present Minister is generally admitted to bear as good a character for integrity and ability, as most of his political predecessors. He declared, at the time he laid their affairs before Parliament, that he proposed making them a great and flourishing Company; the first step towards which, was the enabling them to recover their credit, by assisting towards the discharge of their debts, which has been effected much sooner than could have been reasonably expected.

The reduction of their bond-debts seems also to be a proper step, by which the Company, on any future emergency, will find a certain resource, on issuing bonds within a limited amount, without being obliged to apply to the Bank or to Government for assistance. Is it conceivable that these salutary measures have been taken in order to seize upon their possessions, when quite unincumbered? It would be the highest reflection on his honesty as a man, and on his ability as a minister,

minister, to imagine him capable of harbouring such an intention ; as it would be the highest insult on the wisdom and justice of Parliament, to imagine a possibility of its being induced to give a sanction to so flagrant a violation of its own acts, which must inevitably shake the public credit of the nation to its center.

What security have the creditors of the public for the immense sums that have been advanced towards the support of Government, but their reliance on the faith of Parliament, hitherto inviolably maintained ? What further reliance could they possibly have on such a security, if Parliament should flagrantly empower Government to seize upon the possessions of a Company, established on the same foundation, and also for a valuable consideration, under a pretence of its being advantageous to the public ? If profit or advantage to the public can ever be admitted a plea for proceeding in such a manner against the Company, the same plea must
operate

operate with ten-fold force for seizing on all the public funds.

Sound policy, abstracted from common honesty, must ever prevent a wise minister from such a proceeding against the Company. Its trade, when in a more flourishing state, must proportionally increase the public revenue; the revenues of the Company in Bengal can never possibly be brought into this country, for any continuance, but by commerce; there are neither gold nor silver mines in that country; their riches are the produce of their manufactures; many of the materials are brought from other countries, and, even of their manufactures, the country can bear but a certain quantity being taken from thence, without a return in specie; more than that, must effectually ruin it, by not leaving a sufficient quantity for sale, from the produce of which only, the imports necessary to the support of their manufactories, and other necessaries, can possibly be obtained.

Policy may, perhaps, induce the Minister, as it has already done others, to endeavour to make the most profitable bargain he can for the public, on the renewal of the Charter of the Company, with respect to their exclusive trade. Yet this exclusive privilege, under the restrictions their trade is laid, must appear, on examination, to be more in favour of the public than of the Company.

By being obliged to bring all their goods immediately to their warehouses in London, it secures an easy and certain method of collecting the duties and customs, which could not be so effectually done, if the trade was open and general; which, as already has been shewed, must be ruinous to the trade, and consequently to the revenue proceeding from thence.

Their sales also are regulated in such a manner, as not to leave it in the power of the Company to enhance the price, as sole importers. They are obliged to sell all their goods publicly to the highest bidder,

bidder, and often, by the combination of brokers, for less than the prime cost, and contingent expences.

Should government become traders, and bring home the produce of the revenues of Bengal themselves, they would soon find trade to be too coy a dame to bear the close embraces of a Minister. A like attempt has already lost the French their East India trade. Or, should Government take possession of these provinces, and plant colonies at so immense a distance? It is more reasonable to imagine the Ministry rather too sick of colonization, to attempt any thing of that nature.

Upon the strictest examination, it will probably be found in this, as in most other matters, that honesty is the best policy; and that any attempt to deprive the Company of its rights or possessions, under a pretence of benefit to the public, would effectually verify the old story of killing the hen, to get at the golden eggs.

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Notwithstanding the very evident rights of the Company to the perpetuity of their trade and revenues, and however impolitic and unjust in any Minister to attempt invading them; yet as the Company must ever stand in need of the protection and support of the public, it will be a mark of their wisdom and sound policy, to make it as evidently the interest of Government to grant their assistance whenever it may be wanted: and, in order to receive the effectual benefit of such assistance, it will also be expedient to preserve the favour of the Ministry, as far as it can be done with safety to its own rights.

How far the following short plan may be likely to answer these salutary purposes, is submitted to the consideration of the public and the Proprietors. It is founded on this position, that no act of the legislature can possibly give the Company a better or firmer title, than that already
given

given by the act of the 3d of King George II. and by this act it must appear evidently, that whatever part of the profits of their trade or revenues may be given by them to the public, it can never be deemed a right already due, or any compensation to the public that can legally be required, on account of their territorial revenues in India. And as it appears from the report of the Committee of Secresy, that the Company had divided somewhat more than 8 *per cent.* on average of many years before their acquisition of their territorial revenues in Bengal, it is therefore proposed,

That, after the reduction of their India bonds to 1,500,000*l.*, the Company shall, out of the yearly profits of their trade and revenues, retain to their own use, in the first instance, to the amount of 8 *per cent.* on their capital stock, if their profits shall amount to so much, or so much within that sum, as they shall amount to annually, the same to be divided, as usual,

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amongst the Proprietors. And, in consideration of a grant to the Company of an exclusive right of trade in, to, and from the East Indies.

That the remainder of all their profits arising from their trade and revenues, over and above the said 8 *per cent.* be divided annually between the Proprietors and the public, as long as the exclusive Charter shall be continued to the Company.

As these are the principal articles proposed, it may be proper to state the advantages likely to be derived from thence to the public, which, from the certain knowledge that Government must now have of the state of the Company, cannot be deemed merely speculative. The estimates, however, for this purpose, shall be taken at the lowest.

The revenues of Bengal, Bahar, and Orissa, even at their present low state, after all disbursements relative to the civil and military departments, cannot well be rated at less than one million *per annum*,

to

to provide investments ; and it would not perhaps be prudent to take more from thence, were the produce of the revenues greater.

Admitting these investments, when sold, to produce but one million, clear of all contingent expences, the Proprietors, would receive, in the first instance, 8 *per cent.* on their capital, - - £. 256,000

The remainder, divided equally
 between the Proprietors and the
 public, would produce to each, } $\begin{matrix} 372,000 \\ 372,000 \end{matrix}$

£. 1,000,000

From hence it appears, that out of 1,000,000 *l.* *per annum* profits, the Company will receive 268,000 *l.* and the public 372,000 *l.* But the public will also receive, on account of this trade, to the amount of one million and half, or one million at least, by duties, customs, and excise ; and, on the general profits arising from the trade, will receive three times as much as the Proprietors.

The dividends to the Proprietors, on this statement, amount to 19 *per cent.* which must be deemed very profitable, in comparison of what they have ever yet received. And, however strange it may appear in a country where the property of the subject is deemed sacred, there are gentlemen of considerable estates who may possibly think this dividend too large, and would not scruple to abridge it for the benefit of the public, or, more truly, to save themselves a shilling in the pound land-tax. Yet if these gentlemen would but give themselves the trouble of calculating, they might find, that the payment of 372,000 *l.* to the public, out of 1,000,000 *l.* income, is equal to a land-tax of 7 *s.* 6 *d.* in the pound, for an estate of one million, rated to the full ; and is equal to the general produce of three millions a year landed property, at 4 *s.* in the pound, as usually rated.

If a gentleman of this way of thinking should happen to be possessed of an estate
of

of 20 or 30,000*l.* a year, and a tenth part of it only should be required for the benefit of the public, on account of its being rather too large for a private gentleman; he would think it a strange invasion of his property, and probably would not imagine the remainder of his estate very secure, under such a partial manner of proceeding.

In Holland the East India Company has divided, occasionally, to the amount of 75 *per cent.* to the Proprietors; and, on average of more than a hundred years from its establishment, has divided to the amount of $22\frac{1}{2}$ *per cent.* without any part of the profits being abridged for the benefit of the public, though the state in that time had been engaged in expensive wars, and had been very heavily taxed to maintain them.

It is to be observed, that this estimate of the profits to be expected, is taken as low as it reasonably can be. In 1768, the third year after the acquisition of the
Dewanne,

Dewanee, the net amount of the sales of the Company was 3,517,353 $\text{}$ and the net profits, after deducting all charges and disbursements, 1,004,212 $\text{}$ though the exports that year, in goods and bullion, were 770,192 $\text{}$ and the net ballance on all receipts on account of the Company in Bengal in that year, after deducting all disbursements there, was but 113,800 $\text{}$ towards providing investments. It must therefore be admitted, that the profits from the trade and revenues of all the Company's settlements, with tolerable good management, ought to produce one half more at least.

If the foregoing plan should be adopted, it will be both necessary and proper that Government should have an exact account of the state of the revenues and other receipts and disbursements of the Company in India, and also of their sales, disbursements, and profits on balance at home, delivered to them regularly by the Directors; which will be a security to

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Government, and also to the Proprietors, against any extraordinary mismanagement, or extravagance at home, or abroad. But as the Company have an absolute right to the appointment of their own officers, for the management of their business at home and abroad, it will be essentially necessary to preserve this right inviolate, without which, it will be impossible for the Company to maintain a proper authority over them. Any interference in this point must necessarily produce a kind of double government, which must be ruinous to the interest of the public, as well as of the Company, in India.

It would then be equally advantageous to the public and to the Proprietors, to promote the trade and welfare of the Company in the highest degree; and it appears very probable, that the Proprietors would ultimately receive as much profit from a division in the manner proposed, as they would from the whole, under the usual management; and that the

the public would receive more than they possibly could by the possession of all the trade and revenues of the Company, without the least imputation on the Ministry, of having made use of any unconstitutional means of obtaining it.

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